



JÖNKÖPING UNIVERSITY

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Business School*

How do esports actors perceive the Metaverse as a servicescape for esports: An interpretative phenomenological analysis

An exploratory study about the business opportunities and challenges in the Metaverse.

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Abstract

The Metaverse is an immersive, interactive, and collaborative shared virtual 3D environment where people are represented by avatars and interact in real-time. The Metaverse is still an unexplored phenomenon that has recently become interesting to researchers. In general, there is scarce literature regarding the Metaverse, and when it comes to the servicescapes and esports industry, it is much scarcer. Knowing that the video game industry and esports (competitive video gaming), a business that attracts millions of people, are significant parts of the Metaverse, this qualitative research aims to analyze and explain how the Metaverse as a servicescape for esports is understood from the perspective of esports actors. The Interpretive Phenomenological Analysis (IPA) was used to analyze eight semi-structured interviews with experienced professionals within the esports industry. It was found that the Metaverse platform could serve as a servicescape for not only the esports industry but potentially for other industries as well. Even though the Metaverse phenomenon is considered to be surrounded by uncertainty and is still developing, it has a great potential for businesses to expand their marketing and business practices online in an immersive, engaging, and innovative way. The findings of this research will contribute to the literature by opening a window to understanding the complexity of the Metaverse platform as a servicescape and esports industry. In addition, these findings can be used to further research the Metaverse platform as a servicescape for marketing and business practices online.

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1. Introduction

This chapter provides both the theoretical and empirical context for this research. It is followed by a statement of purpose, which is described further by the research question. Definitions are provided at the end of this chapter.

1.1 Background

The impact of digitalization on the service or product sector is a popular concern these days, and new business models, in particular, are receiving a lot of attention (Caliskan et al., 2020). Metaverse became one of the hottest tech terms in 2021 and is described as a three-dimensional massive virtual world inhabited by avatars of real people that can interact in real-time (Kim, 2021). People believe that the Metaverse is not a buzzword, but it is becoming recognized (Lee et.al., 2021). The Metaverse is also expected to be the internet's future and will significantly influence the video game industry and create an opportunity for brands (Liffreing, 2021). Therefore, the Metaverse is more than simply another new medium, and it has the potential to become a realized concept that will transform all areas of advertising and marketing (Kim, 2021). According to Mileva (2022), virtual advertising in the Metaverse can be done by transitioning from real-world outdoor advertising to placing ads on virtual billboards. Because the Metaverse is engaging and immersive, it is ideal to leverage this by providing the same immersive experience with advertisements and marketing campaigns with which people can interact (Mileva, 2022). Companies also must consider the importance of millennials and Generation Z as target demographic since these generations are also big fans of particular types of Metaverses, including Roblox (Mileva, 2022).

In the last decade, esports, the organized, professional, and spectated play of competitive computer games, has grown into a large worldwide industry (Gibbs et al., 2018). Esports as an environment is inherently disruptive (Scholz, 2019), driven by digitalization (Stein & Scholz, 2016), and involves both offline and online activities (Seo, 2013). According to Seo (2013), esports has swiftly expanded in popularity among young people worldwide. Esports also allows companies to engage with young people, particularly those interested in technology (Seeger, 2018). Consequently, the rising market of tech-

savvy young people represents an attractive potential for brands, and the expansion of the esports audience internationally creates investment potential for large corporations (Business Insider, 2018). Large organizations, such as Mercedes-Benz, have lately realized the value of the esports sector, stating, "as a worldwide brand, we want to open ourselves up to new target groups" (Seeger, 2018).

Major companies have begun creating new strategies for investments and sponsorships in esports, realizing industry potential (Gawrysiak et al., 2020). According to Freitas et al. (2020), several studies have also shown that most of the esports fans have a favorable view toward esports sponsors and embrace their promotional actions. This high level of connection is desirable for businesses since engaged fans are more likely to see sponsors positively (Freitas et al., 2020). Several brands are also using the Metaverse gaming elements with sponsored experiences that are effectively virtual and immersive sponsorships (Balis, 2022).

Many consumer brands are willing to leverage esports as a critical marketing channel because of its high popularity, economic importance, and global reach (Freitas et al., 2020). As per Freitas et al. (2020), more than 600 brands, including Coca-Cola, Microsoft, Samsung, Google, and Sony, began sponsoring esports in 2016 because of the advantage of increased brand awareness. Additionally, by 2023, the esports industry expects 646 million esports fans, which is a more extensive fan base than the American NFL (National Football League) and equivalent to several popular sports (Freitas et al., 2020). Some businesses have already made significant esports marketing investments, seeing the potential of entering the esports industry (Newzoo, 2021). As a result, the sector has witnessed significant growth in earnings in recent years (Newzoo, 2021).

According to Freitas et al. (2020), sponsorship in esports has resulted in higher sales. Some also consider that sponsoring esports might boost a sponsor's image since the publicity and positive word of mouth created by the sponsorship will provide beneficial exposure to the brand, which may act as a catalyst for enhanced brand image (Freitas et al., 2020).

The Metaverse has the potential to drastically transform space, place, fan engagement, and spectator experiences, as well as sponsorship opportunities in the esports industry (Priestley, 2021). Moreover, according to Sax & Ausloos (2021), emerging technologies like the Metaverse will enable esports businesses to diversify their revenue streams.

1.2 Problem

The Metaverse is only now becoming recognized, and due to its complexities, no one can define it or predict what it will look like in the future (Kim, 2021). Following this, the development of Metaverses is mostly unknown and difficult to understand (Visconti, 2022). Concerns related to the Metaverse include whether advertising will work in the same way in the virtual world as it does in the real world since time and space perceptions may change between the actual and virtual worlds (Kim, 2021). Standard business approaches and marketing methods may lose effectiveness in the dynamic Metaverse (Kim, 2021). In addition, issues arise regarding personal privacy in the Metaverse due to the platform's interconnected nature (Di Petro & Cresci, 2021). Knowing that the video game industry and esports (competitive video gaming) are significant parts of the Metaverse (Narin, 2021), exploring and analyzing opinions and perceptions of the people embedded in and actively involved in the current esports industry about the Metaverse might add knowledge to the new marketing and business practices online. Furthermore, the findings of this research can reveal opportunities available on the Metaverse that can act as servicescapes for businesses and open a window of understanding this platform. For example, the Metaverse can drive business model innovation and future profitability for business model developers, software companies, and technology producers (Ji & Hanna, 2020). In addition, since the Metaverse is expected to be the internet's future and will significantly influence the video game industry, exploring opportunities that arise in this platform can help brands profit through digital goods (Liffreing, 2021).

1.3 Purpose

The purpose of this research is to explore how the Metaverse as a servicescape for esports is understood from the perspective of esports actors and how they perceive marketing in the Metaverse. In addition, to explore potential issues perceived by esports actors that might occur in the Metaverse. These perceptions can open a window to new discussions about the Metaverse as a servicescape for the esports industry and expand

the understanding of the esports and the Metaverse platform as a whole. Furthermore, the purpose of the research is to address calls from publisher "Emerald" for exploring new user interactions and addressing the challenges and opportunities the Metaverse presents (Cheng et al., 2022).

1.4 Research question

The main research question of this study is: *How do esports actors perceive the Metaverse as a servicescape for esports?*

The research question will be studied from an Interpretative Phenomenological Analysis (IPA) perspective. Such a perspective aims to offer insights into how a given people (esports industry actors) make sense of the phenomenon, which is related to their experiences and life events (Smith, 1996; Smith & Osborn, 2009). The study will also explore how Metaverse as a servicescape is understood from esports actors' perceptions. The collected findings of this research will add to the existing literature, which can currently be considered as limited. The perceptions of the esports industry actors will help to add to the discussion about the Metaverse as a servicescape in the esports industry.

1.5 Definitions

Several terms and concepts must be defined in order for this research to be presented clearly.

METaverse - An immersive, interactive, and collaborative shared virtual 3D environment, or worlds in which millions of people—or their avatars—will interact in real-time (Kim, 2021).

Avatars - Becoming a participant-actor in a virtual servicescape involves adopting a virtual body, an avatar; this enables movement inside the virtual environment and interaction with other avatars (Ballantyne & Nilsson, 2017).

Video Games - A video game is a type of interaction between a player, a technology with an electronic visual display, and sometimes other players, mediated by a meaningful fictional environment and maintained by an emotional attachment between the player and the results of their actions within this imaginative context (Arjoranta, 2019).

Esports - Organized tournaments involving video games; it is known as a virtual sport, cybersport, and competitive gaming. In addition, esports is characterized as a concept of a competitive and organized approach to playing video games (Cranmer et al., 2021).

ESPORTS ACTORS - Companies, customers, tournament organizers and sponsors, broadcasters and technology communication providers, stadium and exhibition operators, marketing agencies, and esports spectators (Adamus, 2012; Jenny et al., 2017; Jonasson & Thiborg, 2010).

ESPORTS NETWORK - A business ecosystem containing a wide range of interdependent actors (Nuseibah & Wolff, 2015) playing a variety of roles in value co-creation (Carrillo Vera & Aguado Terrón, 2019), offering media services and products (Kostovska et al., 2021) that drive business model innovation and future profitability (Ji & Hanna, 2020).

SERVICESCAPES - The environment in which the service is produced, and the seller and consumer interact, along with physical commodities that enhance service performance or communication (Bitner, 1992).

ONLINE SERVICESCAPES - Online services which provide "tangible and intangible resources for customers to create meaningful and memorable experiences" (Pizam & Tasci, 2019, p. 26).

LIVE STREAMING IN THE GAMING CONTEXT - Playing games while communicating with an online audience is a critical feature of esports on websites such as Twitch and YouTube (Hilvert-Bruce et al., 2018; Wulf et al., 2020).

LOCAL AREA NETWORK (LAN) - Real-time face-to-face gatherings of people and technologies for communication and play for several days (Taylor & Witkowski, 2010).

GAMING CONVENTION - A gathering of the gaming business where gamers may find the latest games and gadgets (McCauley et al., 2020).

NON-FUNGIBLE TOKEN (NFT) – A form of cryptocurrency that is unique and is not tradable for like-for-like (equivalently, non-fungible), making it ideal for differentiating something or someone. Furthermore, NFTs are transferable rights to digital assets such as art, in-game products, collectables, or music (Ante, 2021).

2. Frame of References

This chapter presents the reader with a literature review that examines several aspects relevant to this study. The reader is first introduced to the previous studies on the Metaverse. In addition, the esports industry and several concepts related to it are presented. Furthermore, the concepts of the servicescapes and online servicescapes are discussed. Consequently, these concepts are analyzed and applied to the esports and gaming industry in the Metaverse. These concepts will give a foundation for the analysis.

The purpose of the literature review was to assess the present state of research on the Metaverse and its relevance to esports. Gathering necessary information on this topic can offer insights into the emerging phenomenon of Metaverse and how it may influence business, with an emphasis on the esports industry. Furthermore, the literature contributed to identifying gaps in prior research and shedding insight into future research.

For the frame of reference, these topics and keywords were used by authors as a guideline for the literature review: Metaverse, esports, Metaverse AND esports, marketing in the Metaverse, servicescapes, online servicescapes, video games, virtual reality gaming, live streaming, LAN parties, gaming conventions. Furthermore, the authors focused on how research in these fields has progressed by emphasizing early research findings and presenting the latest trends in these areas. The literature review sequence progresses from recent to the older literature. Repetitive references in the analyzed literature were considered relevant to the study and included to understand the topic more in-depth.

While doing the literature review, the authors searched the databases such as Mendeley, Emerald, Google Scholar, Business Source Premier, and Primo. The search for the literature review was limited to English language books, newspaper articles, journal articles and peer-reviewed publications focusing on ABS 2021 Marketing and Business journals. The search emphasized the most current articles from 2020 to 2022, however older articles were also identified. The authors analyzed the Metaverse Journal's published articles since the journal is topic-specific. Following this, the authors reviewed

references used in these journal articles to give more significant insights into the topic and understand the present state of the literature.

Because the literature specific to the Metaverse is scarce, the authors included various non-academic sources. In addition, the authors collected information regarding Metaverse and esports from various industry stakeholders' websites. Recent esports industry and Metaverse reports from the company Newzoo were reviewed to support the literature findings with the statistical data and industry value. However, our study excluded conference papers since they were less important, and the available evidence was sparse or conflicting.

2.1 Metaverse

The Metaverse is a three-dimensional virtual environment inhabited by avatars of actual people and introduced by Stephenson (1992), in his novel “Snow Crash”. Moreover, it has become one of the most widespread tech terms in 2021 (Kim, 2021). As per Narin (2021), today the Metaverse refers to a virtual environment in which individuals feel completely cognitively using engaged augmented virtual reality technologies today. The Metaverse has also become a concept used to describe 3D virtual worlds in which individuals interact with the environment and each other without the physical constraints of reality (Narin, 2021). Furthermore, several definitions of the Metaverse were proposed by Kim (2021), such as "A massive virtual world in which millions of people—or their avatars—will interact in real-time"; "An extended network of permanent, real-time rendered 3D worlds that enable the continuity of identity and artifacts" and "An interactive, immersive, and collaborative shared virtual 3D environment, or worlds". Accordingly, the Metaverse shares the following elements: the continuity of identity and objects, a shared environment, avatars, synchronization, being three-dimensional (or virtual), interoperability, and an interactive, immersive, and social user experience (Kim, 2021).

Many of the world's most well-known technology companies, such as the Nvidia Omniverse, Facebook Horizon, and Microsoft's enterprise Metaverse, have joined the Metaverse and played a central role (Caulfield, 2021). Additionally, consumer brands such as Gucci and Coca-Cola sell non-fungible tokens (NFTs) on Metaverse platforms

such as Decentraland (Caulfield, 2021). However, it is noticeable that the development of the Metaverse ecosystem, in which various actors, both large and small, collaborate to develop a second world that replicates the real one (Caulfield, 2021). Accordingly, the Metaverse cannot be controlled or owned by a single company (Brown, 2021).

According to Kim (2021), with the progression of advanced technologies such as virtual reality (VR) or augmented reality (AR) devices, artificial intelligence, cloud computing techniques, blockchain, and 5G/6G wireless communication networks, the Metaverse now provides an infusion of physical, virtual, and augmented reality to enable socialization, play, and work.

Using different avatars, immersive engagement from large populations defines online interactions in the Metaverses (Lee et al., 2021). Individuals in the Metaverse can use embodied avatars to represent themselves for remote interaction, express their identity, and socialize in different conditions (Lee et al., 2021). Avatars are a critical component of a player's virtual identity, and since the Metaverse continues to spread, fashion firms are capitalizing on the trend (Vicol, 2022). For example, Balenciaga, the luxury fashion brand, collaborated with Fortnite to produce digital skins alongside an entire clothing collection (Vicol, 2022). Accordingly, brands will be able to monetize and reach a larger audience through the Metaverse and profit from early ties with a large pool of younger players (Vicol, 2022). As a result, the Metaverse raises the new potential for connecting customers and sellers (Lee et al., 2021). Accordingly, the implementation of Metaverse involves a collaborative effort from business model developers, software companies, and technology producers. As a result, the Metaverse has created several opportunities (Lee et al., 2021).

Visconti (2022) introduced a Metaverse Gaming Business model that included value leverage, a revenue model, and monetization strategies: Individuals and communities empowered by gaming to interact, produce content and digital goods, and then communicate through play, events, entertainment, education, and commercial involvement (Visconti, 2022). The sale of the cryptocurrency required acquiring the characters and accessories needed to play the game (Visconti, 2022). As per Visconti (2022), the play-to-earn revenue model is implemented in which players are rewarded

based on their involvement in the game. These incentives are in cryptocurrency bitcoin, which users reinvest in the game, ensuring the system's liquidity (Visconti, 2022). Affiliated gamers and the selling of game characters in the form of NFT generate subscription revenue (Visconti, 2022).

2.1.1 The Metaverse industry reports and background

Industry reports may help firms target their audience, assess competitors, identify opportunities, and make strategic and financial decisions (Newzoo, 2022). The data offered can help companies make day-to-day marketing, sales, and product development strategies (Newzoo, 2022). It is vital to note that the gaming industry is creating new norms for customer involvement and developing creative business processes that will eventually influence any sector (Newzoo, 2022).

Metaverses are areas where people may do business and in which economic transactions and the market value of enterprises are enabled by technology that becomes extremely important (Visconti, 2022). Furthermore, an approximation of the Metaverse worth is necessary because investors need market traction to motivate their efforts, anticipating possible returns on their investments (Visconti, 2022). It is predicted that the market value of companies engaged in Metaverses will soon reach \$ 800 billion and \$ 2.5 trillion by 2030 (Bloomberg Intelligence, 2021).

Customers are overwhelmingly positive about the idea of the Metaverse and are excited by the opportunity it presents for socializing and community building (Newzoo, 2021). Furthermore, the interaction between brands and consumers in the Metaverse can be closer than ever if they use the new medium of NFT effectively (Newzoo, 2021). As a coincidence, Metaverse concepts can optimize acquisition, retention, and monetization metrics concerning consumers as well as the Metaverse will generate additional revenue streams and new business models (Newzoo, 2021).

2.1.2. Video games and the Metaverse

During the past five decades, video games have grown into a critical element of popular culture and become the largest multibillion-dollar industry (Bergonse, 2017). A video game is a type of interaction between a player, a technology with an electronic visual display, and sometimes other players, mediated by a meaningful fictional environment

and maintained by an emotional attachment between the player and the results of their actions within this imaginative context (Arjoranta, 2019). Video games have evolved dramatically, incorporating online worlds (Bergonse, 2017).

The initial Metaverse applications were video games that included virtual environments, and gaming businesses rushed to provide their players with more unique experiences (Narin, 2021). Papagiannidis et al. (2008) already emphasized the emergence and development of the phenomena of the Metaverse and its realization through massively multiplayer online role-playing games during the past decades. It was investigated that the social and economic implications of online games in which large numbers of players interact worldwide and found that many gaming industry-related businesses in the Metaverse are generating substantial annual income and seeing significant growth (Papagiannidis et al., 2008).

Narin (2021) presented gaming industry examples of meta-verses, including games such as Roblox, Sandbox, and Fortnite. According to Kim (2021), Fortnite is an entrance to the Metaverse, a shared digital environment and network platform that offers an expansive range of activities. Some games now contain immersive virtual worlds filled concurrently by thousands of players who can create and share material in these settings (Cranmer et.al., 2021). These games are referred to as "multi-user virtual environments" (MUVEs) or "massively multiplayer online games" (MMOs) (Cranmer et.al., 2021). Avatars represent players in these virtual worlds where they interact with the virtual environment and other users (avatars) (Cranmer et.al., 2021). Often, avatars are highly individualized, and as a result, some users spend more awake time with digital companions than with real-world humans (Cranmer et.al., 2021). Bruell (2021) provides an example of Fortnite, developed, and owned by Epic Games, which operates as a Metaverse-like platform. Fortnite is a first-person shooter multiplayer online video game in which players fight in a limited playing area to be the sole survivor, using a range of strategies and weapons to defeat their opponents (Carter et.al., 2020). It is open for free download and play, but users may make additional in-game purchases to enhance their playing experience (Carter et.al., 2020). Fortnite is known as the most popular digital game globally, and in March 2019, the game had roughly 10.8 million concurrent players and 250 million registered players (Carter et.al., 2020). In 2018, the game's annual

revenue 2018 reached 2.4 billion USD. Finally, Fortnite is perceived as an environment for interactions (Carter et.al., 2020).



Figure 1. Travis Scott concert inside of the Fortnite Metaverse

Source: Epic Games (Regan, 2021)

Another example presented by Wong (2022) is Roblox, which serves as a seamless Metaverse between experiences and games. Roblox is a sandbox game that offers users a virtual reality in which they can shape and build the environment in which they play and makes the Roblox platform very different from the ready-made spaces and games (Wong, 2022). Roblox enables users to explore and create immersive virtual experiences through their virtual worlds inside the game (Wong, 2022). People use Robux, Roblox's currency, to buy specific virtual items, such as virtual shoes (Bruell, 2021). All experiences in the Roblox platform are built by a global community consisting of nearly 9.5 million developers (Roblox, n.d.). Roblox and Fortnite are currently among the highest-profile Metaverse-like platforms (Bruell, 2021). Tim Sweeney, Epic Games CEO, mentioned that the Metaverse should be an open world and economy for all developers and emphasized that the Metaverse should not be controlled by a single corporation but rather by the whole world (Takahashi, 2021).



Figure 2. Nike Metaverse inside of Roblox

Source: (Bonifacic, 2021)

2.2 Esports

Hamari & Sjöblom (2017) defined esports as a type of sport in which electronic devices enable the main characteristics of the game; both human-computer interfaces control the input and output of the esports system. Hamari & Sjöblom (2017) simply described esports as competitive (pro and novice) video gaming that is frequently established through leagues, tournaments, and championships. Cranmer et al. (2021) define esports as a competitive and organized approach to playing video games or as organized tournaments involving video games. In other words, it is a virtual sport, cybersport, and competitive gaming (Cranmer et al., 2021).

Advanced technologies have provided new potential for gaming and gamer experiences (Cranmer et al., 2021). Advances in better and faster internet access, in particular, enabled smaller gaming groups, known as clans, to form Local Area Network (LAN) connections between computer systems in order to compete against one another in multiplayer computer games (MCGs) (Smed et al., 2002; Wagner, 2006). This shifted away from player-versus-machine gaming and toward player-versus-player gaming (Sjöblom et al., 2019). According to Filchenko (2018), this was the beginning, and "esports inevitably emerged when video games began to include network capabilities and the opportunity to play against others both in person and over the world". Players typically belong to teams

and other 'sporting' organizations sponsored by various business companies (Hamari & Sjöblom, 2017).

The esports sector is a rapidly growing new industry that is an entirely digital, global, and agile environment driven by people with a passion for technology (Scholz, 2019). In contrast to many other businesses, user participation is a driving factor in esports since users are energetic, overly passionate, and highly engaged (Scholz & Stein, 2017). Cranmer et al. (2021) found that electronic sports (esports) are one of the rapidly growing types of digital entertainment due to technological advancements such as the increasing prevalence of online gaming, improved accessibility to technology, and increased access to top competition. One of the main reasons for esports popularity increase is that more people are becoming aware of it, and since 2015, there has been a remarkable increase in public awareness of the esports business, and with increased viewership, companies now have a new channel to target their audience (Newzoo, 2021). The esports industry is predicted to grow much more in the next few years, both in audience and profit, and as a result, esports marketing will assist companies in broadening their audience and delivering targeted ads through engaging platforms (Newzoo, 2021).

2.2.1 Live streaming and Esports

Playing games while communicating with an online audience or, in other words, live streaming is a critical feature of esports that takes place on websites such as Twitch and YouTube (Hilvert-Bruce et al., 2018; Wulf et al., 2020). Twitch.tv is a platform that connects millions of people who broadcast their own personal 'channel' to the world, presenting live footage of themselves playing and talking and a continuous live stream of their games that everyone can see (Scully-Blaker et al., 2017). Viewer numbers can reach up to hundreds of millions, and viewers can also communicate with streamers and other viewers or enjoy the comments provided by streamers (Scully-Blaker et al., 2017). Revenue from subscriptions and IAP (in-app purchase) reached \$2.3 billion for Twitch in 2020 (Iqbal, 2022). In 2021, Twitch also had 2.84 million concurrent viewers on average as well as users watched 18.6 billion hours of video on the network (Iqbal, 2022).

The number of consumers a brand may reach on social platforms, any marketing channel or campaign is known as the customer reach. To clarify, when a brand uses TV, print

media, or social media commercials to promote its business, its marketing reach would be the number of people who will view the ads (Caixeta Menez, 2013). Esports is powered by current high-speed internet infrastructure and live-streaming platforms, and it has a significant market value and an extensive worldwide audience reach (Gibbs et al., 2018). The esports industry frequently delivers live and recorded material to hundreds of millions of spectators worldwide (Hayduk, 2021). Twitch gives players the ability to broadcast their gaming sessions live and interact with their followers in real time, blurring the lines between the real and the virtual worlds and between the virtual and the real worlds of gaming, social media, and face-to-face contact (Cranmer et al., 2021). As a result, Twitch functions as a direct contact channel between fans and professional esports players since fans can directly interact with professional players (Cranmer et al., 2021).

Content marketing is frequently associated with customer involvement, which gives a more effective strategy for reaching the target audience and engaging them in marketing operations (Kotler et al., 2017). Streaming platforms provide a new way to execute content marketing to an exact and difficult-to-reach target audience and serve as a marketing and distribution tool for games and game content and a communication route between stakeholders or players (Marchand & Hennig-Thurau, 2013).

The live broadcast at ESL One Cologne 2015, a global championship for the video game "Counter-Strike," peaked at over 1.3 million spectators (Scholz & Stein, 2017), reflecting the online nature of the esports consumer (Ji & Hanna, 2020). Furthermore, the CS:GO video game major tournaments, which have built-in a system that focuses on the game's spectators from home, are examples of content marketing on the Twitch platform (Hilvert-Bruce et. al., 2018). If viewers link their account to the Twitch account (the broadcast source), they will be eligible to collect in-game rewards just by viewing the tournament from home (Hilvert-Bruce et. al., 2018). This engages viewers in spending hours in front of their computers, supporting their favorite streamers and teams while simultaneously watching ads from various sponsors, and finally immersing themselves in participating in a sponsored competition (Hilvert-Bruce et. al., 2018). This type of fan participation expands the reach and engagement of esports teams and organizations, and it may also pave the path for increased sponsorship revenue since the esports sector is primarily reliant on sponsorship, contributing to over 60% of esports income in 2020

(Newzoo, 2021). Conclusively, esports has become a worldwide sector with a potential value of more than 25 billion US dollars (Ahn et al., 2020).

2.2.2. Esports related events (LAN and Gaming Conventions)

LAN (local area network) parties are real-time face-to-face gatherings of people and technologies for communication and play for several days. LAN parties range from a few individuals bringing their technology over to someone's house for an evening to large-scale, well-planned events involving tens of thousands of people (Taylor & Witkowski, 2010). While LAN parties have a significant local geographical component, they are also an excellent chance for individuals separated by distance to gather (Taylor & Witkowski, 2010).

DreamHack, a large LAN party hosted in Sweden twice a year and described as the world's largest LAN, attracts over 15,000 guests (McCauley et al., 2020). Mass LAN events often began as a small LAN by a group of friends and enthusiasts who like to share information, demos, or play computer games, but have increased in size and activities over the years and evolved into a commercialized event (McCauley et al., 2020).

DreamHack is one of the largest gaming conventions that brings together a variety of organizational stakeholders, driven by individual actors, who engage and co-create esports value (McCauley et al., 2020). The gaming convention DreamHack takes place offline in stadiums while also being streamed to millions of people worldwide for home consumption of the experience (McCauley et al., 2020). Thousands of people attend these professional tournaments, bringing their personal computers to compete in a Local Area Network (LAN) event (Scholz & Stein, 2017). Recently more traditional companies (Visa, RedBull, and Audi) have entered the esports market through direct investments in organizations or as primary sponsors at global events (Business Insider, 2018).

2.2.3 Esports business ecosystem

Scholz (2019) defined the esports ecosystem as stakeholders collaborating to co-create value in a more extensive network. Interaction between diverse actors is critical since it leads to value co-creation (Kunz et al., 2022). The following actors represent the esports value network: companies, customers, tournament organizers and sponsors, broadcasters and technology communication providers, stadium and exhibition operators, marketing agencies, and esports spectators (Adamus, 2012; Jenny et al., 2017; Jonasson & Thiborg, 2010). The solid and complicated connections between various actors in the esports ecosystem are essential contributors to esports innovation (Scholz & Stein, 2017).

Since esports is a sector with significant growth potential, this necessitates management expertise in events, merchandise, sponsorship and endorsements, marketing, technology, human resource management, social media, governance, legal issues, celebrity culture, and athlete well-being (Kunz et al., 2022). For the esports service ecosystem to keep growing, open designs are required (Diana, 2013), which implies that a more extensive range of businesses is encouraged to join, resulting in a broader selection of products/services offered to customers (Sebastian et al., 2020).

The emotional and social connection between players and the community is crucial in building user engagement (Granic et al., 2014). The esports sector provides passionate gamers with a platform to communicate with like-minded individuals and debate, assess, and co-create enhancements to the industry (Koch et al., 2020). Online games with social aspects (multiplayer games, esports games) are appealing because each one serves people as a social network in which they can communicate, participate in activities, develop friendships, and belong to the community (Visconti, 2022). Accordingly, communities are advantageous to society and have qualities that might attract investment (Lyons et al., 2012). Moreover, gamers strongly believe that business possibilities exist in the gaming community (Xue et al., 2019).

To fully understand the esports industry's relevance in the Metaverse, a broader theoretical perspective that examines how tangible resources like innovative technology and intangible resources such as knowledge, and information are shared through various

media and across an entire network of stakeholders and actors, including consumers, is required (Marchand & Hennig-Thurau, 2013).

2.3 Theoretical framework

Because business ecosystems reflect multiple interconnections between different actors and stakeholders, they do not exist in a vacuum (Helmefalk & Marcusson, 2020; Nilsson & Ballantyne, 2014). These interactions must have a location or space where media communication, co-creation, or activities may occur (Helmefalk & Marcusson, 2020; Nilsson & Ballantyne, 2014). While it is typically defined in physical contexts, the rising digitization of activities demands its expansion to incorporate online contexts (Helmefalk & Marcusson, 2020; Nilsson & Ballantyne, 2014). The Metaverse has the potential to drastically transform space, place, fan engagement, and spectator experiences, as well as sponsorship opportunities in the esports industry (Priestley, 2021).

The large esports network is a business ecosystem containing a wide range of interdependent actors (Nuseibah & Wolff, 2015) playing a variety of roles in value co-creation (Carrillo Vera & Aguado Terrón, 2019), offering media services and products (Kostovska et al., 2021) that drive business model innovation and future profitability (Ji & Hanna, 2020). The servicescapes can clarify where and how esports actors and stakeholders interact in the Metaverse and esports business ecosystem.

2.3.1 Servicescapes

Servicescapes are defined by Bitner (1990) as the service environment that influences customer expectations and satisfaction. Traditionally, the servicescape has been concerned with physical design issues, but more importantly, the ambience of the "built-in" attributes that influence customers' perceptions of their service experience and how the business's image and purpose are communicated to customers as a result (Bitner, 1990; Reimer & Kuehn, 2005). Servicescapes are "deliberately designed" to produce commercial outcomes (Arnould et al., 1998). Commercial outcomes, for example, can include both tangible and intangible impacts on customers or employees in commercial contexts, such as time and money spent (Turley & Milliman, 2000). According to Ballantyne and Nilsson (2017), many customers perceive the environment where service is created and consumed as a place of service co-production, whether it takes the shape

of physical space or virtual space. A servicescape impacts consumer perceptions of service functions and service quality and the meanings a customer obtains from the various intangible, contextual, and symbolic components of a service (Nilsson & Ballantyne, 2014).

2.3.2 Online Servicescapes

Businesses gain from today's connectedness by having the ability to influence through various online platforms (König, 2012). The Internet and social media's exponential growth are transferring the place for business more and more into a virtual market environment which opens up new opportunities for businesses and consumers (Ballantyne & Nilsson, 2017).

The "servicescape" integrates online services, which provide "tangible and intangible resources for customers to create meaningful and memorable experiences." (Pizam & Tasci, 2019). Harris & Goode (2010) defined online servicescape as "The qualities of the physical environment in virtual environments such as websites" and proposed variables that exist in the online environment during service: Aesthetic appeal, layout and functionality, and financial security.

"Servicescape" can influence consumer attitudes and opinions of a website, influencing purchasing intentions (Bitner, 1992). Therefore, online servicescape leads businesses to establish good designs to create an online purchasing environment that causes specific emotional responses in customers, increasing their likelihood of purchasing (Harris & Goode, 2010). Aesthetics, ambience, arrangement and functioning, symbols and artefacts in the online game, and customer participation through cognitive and emotional reactions are all essential variables that influence the cognitive and emotional experience of the actor (Dutta, 2020).

2.3.3 The Metaverse as servicescape for esports

Immersion is a term that describes a perceived experience of being physically present in a non-physical world, engaging in a digital environment, or participating in activities with an avatar (Ballantyne & Nilsson, 2017). Becoming a participant-actor in a virtual servicescape involves adopting a virtual body, an avatar; this enables movement inside the virtual environment and interaction with other avatars, consequently enhancing

engagement (Ballantyne & Nilsson, 2017). The Metaverse is a virtual online environment where avatars may interact, play, communicate, and socialize (Kim, 2021). The existence of an avatar may have a positive effect on sponsorships (Etemad-Sajadi, 2014; Holzwarth et al., 2006). Additionally, in its participant-immersing formats, the web-based servicescape facilitates online communication between strangers since their identities are protected by their avatars (Ballantyne & Nilsson, 2017). Communication and psychological involvement are proven to be essential for online gamers provided by online servicescape (Dutta, 2020). From a social standpoint, the development of more immersive virtual experiences assists individuals in creating communities based on shared values and expressing themselves more authentically (Visconti, 2022).

Content for video games and esports is distributed on digital platforms where the games are hosted and distributed (Marchand & Hennig-Thurau, 2013; Wulf et al., 2020). The media and servicescape also make it easier for esports players, spectators, and the esports community to engage (Marchand & Hennig-Thurau, 2013; Wulf et al., 2020). According to Cook (2021), the most popular way to watch esports is through streaming services such as Twitch, which is not as enjoyable to see these events on a screen as it is to be there in person. The Metaverse creates new opportunities for the esports sector by allowing viewers to be in a virtual audience, attend a virtual venue as a part of the crowd, and connect with other gaming enthusiasts, all in a virtual environment (Cook, 2021). In the Metaverse, players and viewers have a more immersive experience (the sense of actually being there to watch or compete from a first-person perspective) (John, 2021).

According to Ballantyne & Nilsson (2017), the internet experience for a consumer rarely features queues or overcrowding, which is the most significant benefit of the new virtual environment. This eliminates one of the most common complaints regarding service quality which is the problem of social density or the negative impact of crowding on customers (Rosenbaum & Massiah, 2011). Metaverse allows replacing physical events or developing an immersive hybrid model that significantly increases esports audience engagement (John, 2021). Instead of going to a tournament venue to see the players, people might enter a virtual world that places them right in the middle of the game (John, 2021).

New symbolic meanings arise in the virtual environment due to digital avatars interacting to co-create their environment (Ballantyne & Nilsson, 2017). According to Priestley (2021), esports and gaming in the Metaverse create memorable moments and familiarity for the viewers. It is not only high-skilled players or esports that bring people into the Metaverse; it is also a feeling of community and personality or a viewer learning more about their favorite games (Priestley, 2021).

In virtual space, the digital buying experience is more interactive and social, implementing new ways of value co-creation (Ballantyne & Nilsson, 2017). Because of cryptocurrencies and NFTs, individuals in the Metaverse can acquire virtual products and sell them from any location and without time constraints (Lee et al., 2021). Metaverse allows people to interact with and support their favorite teams in new ways due to the integration of e-commerce and the proliferation of Non-Fungible Tokens (NFTs) and other collectables in the Metaverse (John, 2021). As per Ante (2021), Non-Fungible Token (NFT) is a form of cryptocurrency that is unique and is not tradable for like-for-like (equivalently, non-fungible), making it ideal for differentiating something or someone. Non-fungible tokens (NFTs) are transferable rights to digital assets such as art, in-game products, collectables, or music (Ante, 2021).

The boundaries between people and places, between what is real and what is imagined, are now being blurred by digital reality (Ballantyne & Nilsson, 2017). Individuals in the Metaverse can create more creative innovations mixing reality and imagination by merging actual and surreal experiences (Lee et al., 2021). According to Ballantyne & Nilsson (2017), in digital servicescapes, customers receive unique and valuable services since they are involved in co-creating new services where time and place do not exist. Additionally, the new digital environment allows the customer to become a value co-creator (Ballantyne & Nilsson, 2017). Consequently, virtual spaces enable businesses to have a deeper understanding of their customers and increase their engagement (Ballantyne & Nilsson, 2017).

3. Methodology

The process of organizing and conducting this research is described in this chapter. The research philosophy and approach are first outlined. Following that, the study design, strategy, data collecting, and sample are explained. The chapter closes with data analysis and the credibility and trustworthiness of research findings.

3.1 Research Methodology

According to Saunders et al. (2016), the methodology is how authors should conduct research. The theory comprises theoretical and philosophical assumptions that authors may use to carry out this study (Saunders et al., 2016). According to George (2021), exploratory research is a methodical approach that explores previously unstudied research questions. Exploratory research is usually qualitative, and the preliminary findings will serve as the foundation for further research (George, 2021). Accordingly, an exploratory study was conducted to find the answers to the pre-mentioned gaps.

3.1.1 Research philosophy

This study aims to examine and understand the perceptions of esports actors about the Metaverse as a servicescape for esports, which the interpretivism philosophy may explain. The author's philosophy, in particular, aligns well with this study because, as characterized by Saunders et al. (2016), it focuses on the psychological differences between individuals as they construct values and meanings. It is also acknowledged as suitable for business and management studies (Saunders et al., 2016). However, according to Saunders et al. (2016), because the interpretivism philosophy explores people's experiences and perspectives, it provides several methods for assessing and interpreting data, which might represent findings as beneficial or inconclusive.

Furthermore, the interpretivism philosophy includes several features that emphasize the study. Phenomenological research, for example, investigates participants' lived experiences and includes their memories and interpretations of these events (Smith, 1996). It is also known to have a small sample size designed to obtain rich data and carefully study each individual (Smith, 1996).

Epistemology is one of the components of research philosophy; it describes how researchers make sense of the world's nature (Easterby-Smith et al., 2018). Epistemology describes how knowledge is generated regarding how researchers explore the physical and social worlds, "How do we know what we know?" is a simple way. There are two conflicting perspectives on knowledge construction in epistemology: positivism and social constructionism (Easterby-Smith et al., 2018).

Positivism, a philosophy proposed by Auguste Comte and Andreski is an alternative to interpretivism (Eriksson & Kovalainen, 2008). Positivism is a field of primarily quantitative studies that focuses on applying scientific approaches to experiences to understand the world (Eriksson & Kovalainen, 2008). Because of the qualitative method used for this study, interpretivism, precisely an interpretative phenomenological philosophy, was employed to investigate esports actors' perspectives on the Metaverse platform as a servicescape for esports.

Authors throughout this research constantly created a shared social reality through their activities and interactions with the actors of the esports industry that they perceived to be factually true and subjectively relevant (Berger & Luckmann, 1991). In social constructionism, authors become observers of the examined phenomena of esports actors' perceptions of the Metaverse as the servicescapes for esports, and authors frame, analyze, and form knowledge of the underlying phenomenon.

Understanding the phenomena depends on the observer's experiences; therefore, authors hold a constructionist position (Moon & Blackman, 2014). Since authors believe that the 'truth,' or meaning, emerges through their involvement with the reality of their environment (Moon & Blackman, 2014). There is no such existence of a "real world" that is independent of human action or symbolic language (Moon & Blackman, 2014). The importance of constructionist research is in the generation of contextual understandings of a specific topic or problem (Moon & Blackman, 2014). This approach supports the interpretive phenomenological perspective, as people's experiences may provide important insight into the study's topic. Because interpretative phenomenology aims to investigate lived experience, it is critical to recognize that people's realities are impacted

by the environment in which they live; authors realize that experiences are related to social and cultural settings (Tuohy et al., 2013).

3.1.2 Research Approach

The three primary research approaches are inductive, deductive, and abductive (Given, 2008). As per Given (2008), the inductive approach is a method for developing hypotheses, theories, and generalized statements based on observations of people and their experiences. An inductive approach is often used in qualitative research and is believed to generalize data with frequently extreme conclusions that may contradict one another (Given, 2008). On the other hand, the inductive approach allows for theory construction based on cumulative information and provides alternative interpretations (Given, 2008). A deductive method builds a theory exposed to a succession of assertions, with principles dominating the foundation of explanation (Saunders et al., 2016). Often, the deductive method involves the measurement of concepts, which necessitates quantitative research (Saunders et al., 2016). Finally, the abductive approach is a hybrid of the two to arrive at a conclusion and develop a theory based on inferences from two or more events (Given, 2008).

In this study, an inductive approach was used, primarily because it fits with the small sample size chosen for analysis and allowed for developing a theory based on perceptions of esports industry actors about the Metaverse as the servicescapes for esports. As a result, given the scarcity of research on esports actors' perception of the Metaverse as the servicescapes for the esports industry and the resultant shortage of knowledge, an inductive method was considered feasible for this study.

3.2 Research Method

Research methods refer to methods that can assist a researcher in achieving the purpose of their study (Eriksson & Kovalainen, 2008).

3.2.1 Research Design

In this study, a qualitative design is chosen since it is often used in studies where the purpose is to investigate how multiple actors use the meanings of a specific environment or event (Wahid et.al., 2017). Furthermore, the qualitative design employs a small sample size, such as individual interviews or focus groups, instead of the quantitative approach,

which frequently uses large samples, such as questionnaires and surveys, to collect data (Maxwell, 2005). Accordingly, the authors of this research interviewed eight esports industry actors from various fields to understand how they perceive the Metaverse as a servicescape for esports.

The qualitative study design functions as a framework or blueprint, guiding the different methodologies used for data collecting and analysis (Singh, 2007; Yin, 2014). Adopting this method makes sense in light of the absence of previous in-depth studies on esports actors' perceptions concerning Metaverse as the servicescape for esports, and it helps authors acquire a better understanding of it. The primary data for this study was collected through interviews, which guaranteed that each participant had the chance to express their opinions and answer questions freely and fully. The authors of this research anticipate that each participant provides unique insights into the phenomenon that can be interpreted.

3.2.2 Research Strategy

Experiments, surveys, interpretative phenomenological analysis, grounded theory, and case studies are all examples of research strategies (Saunders et al., 2016). Specific strategies (such as experiments and surveys) are used in quantitative studies (Saunders et al., 2016). In contrast, others (such as interpretive phenomenological analysis and grounded theory) are used in qualitative research, while others (such as case studies) can be used in both (Saunders et al., 2016).

The meaning "Interpretive Phenomenological Analysis" (IPA) refers to a method often employed in qualitative research to understand the importance of "personal lived experience" (Smith, 1996, p.79). According to Smith and Osborn (2015), IPA is a process in which "the researcher is aiming to make meaning of the participants' attempts at making sense of their world" (Smith & Osborn, 2015, p.26). Furthermore, the IPA study is an in-depth analysis of the participants' experiences (Smith, 1996). The most prevalent method of collecting primary data with IPA is semi-structured interviews with a very significant and very small sample size (Smith, 1996). As a result, the IPA method was thus appropriate for this study, as it explores esports actors' perceptions toward the Metaverse platform as the servicescapes of esports.

Because the purpose of this study was to portray the perceptions of esports industry actors, an interpretative phenomenological analysis was used. The IPA method may benefit the development of a discussion concerning esports industry actors' perceptions of the Metaverse as a servicescape for esports and the emergence of new information about the esports sector and the Metaverse platform in general.

3.2.3 Interviews

Saunders et al. (2016) classify interviews into many categories. Structured, semi-structured, and unstructured (or in-depth) interviews were among them. Formal (structured) interviews do not allow for freedom and must follow a strict order of questions and processes (Saunders et al., 2016). Furthermore, formal interviews do not provide researchers much flexibility and limit their ability to contribute to the interview process (Saunders et al., 2016). However, informal (unstructured) interviews enable adjustments to the interview script and give room for spontaneous questions (Saunders et al., 2016). Additionally, informal interviews make the process too loose and may affect the flow of the discussion and the results in the future (Saunders et al., 2016).

Semi-structured interviews allow authors to "go under the surface" because they enable authors to study the reasons behind participants' responses, such as values, experiences, and feelings (Yeo et al., 2014). Following this, semi-structured interviews are used to establish a balance in which researchers are not constrained by the exact sequence of the questions but can also maintain the interview within the same topic (Yeo et al., 2014). Semi-structured interviews also allow participants to improvise and contribute to the discussion without entirely switching the subject (Yeo et al., 2014). Consequently, semi-structured interviews were used in this research.

3.2.4 Sampling

There are methods of sampling: probability sampling and non-probability sampling (Saunders et al., 2016). Probability (representative) sampling is a sampling approach in which each participant has an equal probability of being chosen for an interview (Saunders et al., 2016). The selection of probability sampling is frequently determined by the need to obtain a sample representative of the population, which is relevant to quantitative research (Saunders et al., 2016). However, non-probability sampling refers to a specific selection of participants based on an extensive study of the environment (or

industry) in which they operate (Saunders et al., 2016). This sample offers a researcher a wide range of information that can help develop theoretical ideas (Saunders et al., 2016).

Non-probability sampling is classified by Saunders et al. (2016) as quota, purposive, volunteer, and haphazard. Purposive sampling is the process of selecting and approaching particular possible participants based on the study's objectives (Easterby-Smith et al., 2018) and their qualifications, such as experiences or positions (Ritchie et al., 2014); it allows researchers to choose individuals who will help answer the research question and be particularly valuable (Corbin & Strauss, 2008). The sampling method is also frequently implemented when working with small groups (Smith & Osborn, 2015). Accordingly, the authors of this research used non-probability purposive sampling to assure that the representative participants were chosen based on their expertise and experience in the esports industry and that they would be able to assist the authors of this research in obtaining rich data. Specific criteria had to be satisfied to be chosen for this study, such as experience and knowledge in the esports industry.

3.2.5 Data Collection

The authors researched the available literature on Metaverse and esports to establish the preliminary research questions and the research purpose. The authors used different literature and theories to create rich meanings and understanding, ensuring that findings contribute to the enhancement of the literature. The empirical findings (primary data) were obtained from semi-structured interviews with esports industry actors. Furthermore, different sources, including academic literature, reports, and articles, were used to obtain secondary data for this research.

Primary Data

For the primary data, semi-structured interviews were conducted with the esports industry actors such as professional players, project managers, event organizers, journalists, esports association members, streamers, and commentators. Accordingly, the authors of this research attempted to explore and analyze the opinions and perspectives of the participants on the Metaverse as servicescapes for esports and how they perceive marketing potential in this platform.

One of the authors had a background in the esports industry and hence used personal connections to obtain most of the participants for this research. Additionally, the research supervisor provided one contact that was an eligible participant for this research. Ten people have been contacted who have expertise in various esports industry sectors and have a substantial influence on the esports business. However, two people refused to participate due to a lack of knowledge regarding the Metaverse. In total, eight people agreed to participate in this research, of which seven participants were questioned via the digital application "Microsoft Teams" because of the geographical distance. However, the authors did only one face-to-face interview. The interview questions used in this research can be seen in Appendix 1.

Table 1 provides an overview of the esports industry experience, interview length, and date.

Participant No.	Experience in the esports industry	Years in the esports and gaming industry	Interview		
			Type	Date	Lenght
Participant 1	Professional esports player	9	Face-to-face	April 1st	69 min
Participant 2	Streamer, owner of talkshow about esports, esports tournaments caster, ex-esports coach, player and analyst	14	Digital	April 2nd	50 min
Participant 3	Ex-project manager, key account, esports manager of gaming convention, ex- sales and operations manager of esports organization, ex-project manager of LAN party	9	Digital	April 3rd	63 min
Participant 4	Founder/Co-Owner of esports team, professional esports player, member of esports federation	10	Digital	April 5th	53 min
Participant 5	Product Marketing Manager in the competitive games platform	5	Digital	April 8th	34 min
Participant 6	Head Coach of esports team and proffesional esports player	7	Digital	April 9th	43 min
Participant 7	Gaming magazine publisher, gaming convention organizer, esports journalist and analyst, Game Developers Association board member	22	Digital	April 11th	65 min
Participant 8	Project Manager / Media Producer of the gaming convention	10	Digital	April 13th	34 min

Table 1. Participants and further information about them

Secondary data

The authors used academic literature relevant to this research area as secondary data. The vast majority of articles and journals were obtained from search engines and databases such as Mendeley, Emerald, Google Scholar, Business Source Premier, Primo and others. However, the literature on this research topic is limited and scarce to what has been already stated in this research "Frame of Reference" section. As a result, the authors used various non-academic sources and collected information regarding Metaverse and esports from relevant industry corporations' websites.

3.3 Data analysis

Interpretative phenomenological analysis (IPA) aims to analyze personal lived experiences extensively and describes lived experience in its terms rather than one determined by pre-existing theoretical concepts (Smith, 1996; Smith & Osborn, 2009). It also is essentially idiographic in its approach to investigating the specific experience of each individual before moving on to more general generalizations (Smith, 1996; Smith & Osborn, 2009). The IPA was used to analyze the data, which helped offer insights into how esports actors perceive the Metaverse as a servicescape for esports.

The IPA method was appropriate for the research, and the authors of this research followed the data analysis procedures outlined by Smith & Osborn (2009). The authors of this research transcribed, read, and initially analyzed interviews to minimize error and become familiar with the raw collected data. The transcripts were coded in precise detail, with the emphasis shifting back and forth between the participants' statements and the authors' interpretation of those statements. The data coding was focused on themes, establishing a link between the obtained data. The authors used a bottom-up analysis approach since the codes were created from the data rather than a pre-existing theory to discover codes that could be applied to the data. Since IPA does not test hypotheses, it benefits the development of existing theories (Smith & Osborn, 2009).

The authors of this research followed the data analysis process and sequence outlined by Smith & Osborn (2009). Accordingly, the analysis process involved the following stages and sequence:

1. The initial emergent themes were identified and separated.
2. Correlating and combining the emergent themes and formulating second-order themes.
3. The final themes were established by combining second-order themes.
4. In the analysis section, the final themes were converted into a narrative account, clearly distinguishing between the participants' expressions and the authors' interpretations.

The emerging themes, second-order themes and final themes are presented below in the Figure 3.





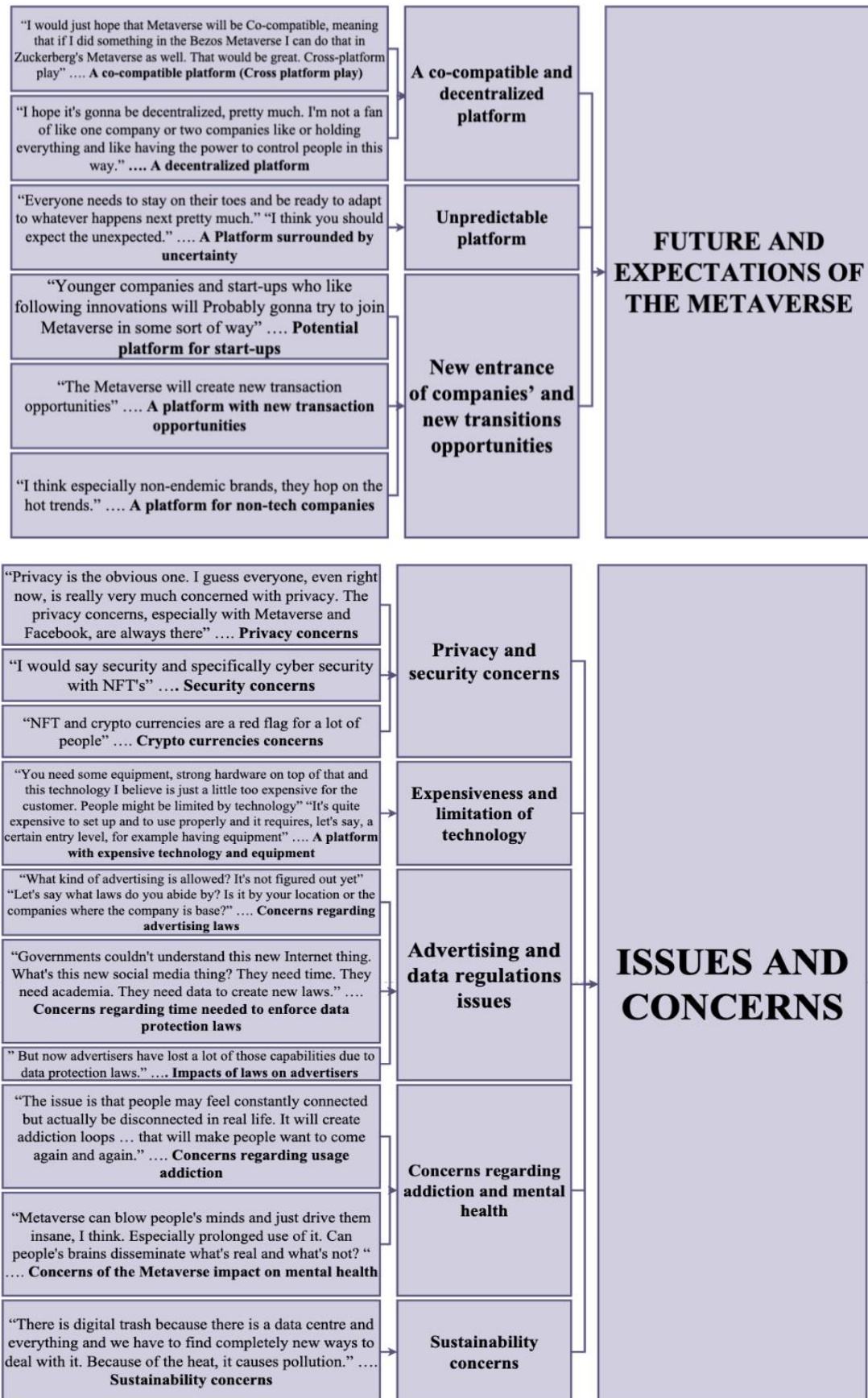


Figure 3. Emergent themes, Second-order themes, and Aggregate themes

3.4 Research ethics

In order to complete this study without harming the participants or anybody else, ethical issues have to be considered carefully (Herrera, 2010). According to Bell and Bryman (2007), ethics in management research is highly particular and necessary for obtaining valuable conclusions. Before the interview process began, every potential participant was informed of the terms under which this research would be conducted, which included the online publication of the paper, video and audio recording, transcription of the interview, and usage of expressions and opinions expressed during the interview. No participant was required to share any information that they did not want to share. It was also crucial to make it clear to participants that anonymity would be maintained during the whole process. This was accomplished by referring to individuals, for example, "Participant 1, 2, etc." in the data input. In addition, transcribed interviews were sent to those who asked for them, and it was made clear that everything that would be included in this research would be agreed upon in advance by the interviewees. The authors of this research ensured that all participants understood their roles and expectation from the authors for this research. Before the interview, all questions were sent to those who requested them. At the beginning of the recorded interview, all participants were asked to agree to the pre-mentioned terms verbally.

3.5 Quality Criteria

The quality of the research is measured using two dimensions: validity and reliability (Bryman & Bell, 2011; Spiggle, 1994).

3.5.1 Validity

Validity may be divided into two categories: internal and external validity.

Internal Validity

Miles and Huberman (1994) recommended using visuals and diagrams in the data analysis section. This would improve the validity by aiding and clarifying the obtained data through a clear framework (Miles & Huberman, 1994). The authors of this research chose to make their findings as apparent as possible, so they included all of the required tables and figures.

External Validity

External validity represents a study's capability to generalize its findings, allowing them to be applicable in various situations and contexts (Bryman & Bell, 2011). However, because the results are frequently applied to a particular case, qualitative research is not known to be generalizable (Bryman & Bell, 2011). One solution is to define the scope of the research and the boundaries it imposes (Marshall & Rossman, 1989). Furthermore, while examining data, researchers may clearly describe their contributions by comparing the findings to the existing literature (Yin, 1994). The author used descriptive data in this research which might help to explain esports actors' perspectives of the Metaverse as the servicescape for esports.

3.5.2 Reliability

Validity and reliability are closely linked because neither can exist without the other (Lincoln & Guba, 1985). The degree to which others can replicate the research is characterized by this criterion (Bryman & Bell, 2011). However, the idea of reliability is more strict concerning quantitative studies since it is complicated to replicate qualitative research (Golafshani, 2003). Nonetheless, to assure the quality of the study, authors must implement reliability (Golafshani, 2003).

It is advised to audio record the interview so that the interviewer can focus on the conversation and communicate effectively rather than being distracted by note-taking (DeJonckheere & Vaughn, 2019). The combination of audio and video recordings throughout the coding process, rather than just text, can offer the context for details that text commonly misses (Parameswaran et al., 2020). Directly incorporating video and audio enables the coding of nonverbal occurrences, the listening and representation of participant voices and their utilization to support the verbal information (Chandler et al., 2015).

To ensure this study's reliability, the authors prepared for the interviews by testing the video and audio recordings ahead of time to ensure that the data would be saved and stored. Furthermore, seven interviews were video and audio recorded and transcribed

using the Microsoft team's transcription software. However, one of the interviews was only audio recorded and transcribed by the Microsoft team's software. All transcripts of the interviews were immediately read and examined individually by the authors to ensure the accuracy of the data.

4. Empirical findings

This part presents the reader with the empirical findings collected from eight conducted interviews. These findings are organized into categories that were developed throughout the coding, grouping, and categorization stages. Accordingly, seven aggregate themes were identified to answer the research question “How do esports actors perceive the Metaverse as a servicescape for esports?”.

4.1 Undefinable platform

From the beginning, it was important to ask our participants how they define the Metaverse.

“Metaverse is a collection of virtual worlds.”- Participant 7

One of the participants defines the Metaverse as a collection of virtual worlds.

“Metaverse is an umbrella term that can mean anything.”- Participant 2

While another participant sees the term "Metaverse" as an umbrella term that can mean anything.

“Now Metaverse is a new medium and is a buzzword [..], however in the future there will be many variations of Metaverse which have different meanings.”- Participant 5

However, one of the participants assumes that in the future there will be many variations of a Metaverse that have different meanings. The same participant also adds that the Metaverse might be a buzzword and the hype around will fade over time.

“There should not be a specific definition of the Metaverse.”- Participant 6

Lastly, one participant mentioned that there should be no specific definition of the Metaverse.

4.2 Platform for innovative business opportunities

After defining the Metaverse, participants of the study were asked to list the business opportunities that might be available in the Metaverse.

“It's a new area for businesses to, you know, to interact with their people.”

- Participant 3

One of the participants believes that the Metaverse constitutes a new business area.

“Because the Metaverse is the next big thing, it's an opportunity to further brand, further business earnings.” - **Participant 8**

One of the participants thinks that the Metaverse is the next big thing that will provide the potential to expand businesses, increase business revenue.

“[...] Metaverse can be used as a commercial space.” - **Participant 5**

“I mean, Metaverse it's just an extra venue where you can put your brand in it [...].”

- Participant 4

Participants believe that the Metaverse will be an additional commercial venue and commercial space for brands where they can put their brands in it.

“If a company manages to do, uh, some collaborations or sell this space and like, like, for example, if you're an esports company and you organize and let's say an event and you manage to sell space for any brands to appear there. And so there is definitely a place where they can make money.” - **Participant 5**

One of the participants thinks that an esports company that organizes a virtual event can sell spaces for any brand to appear there.

“Everyone will help each other, every project will help each other. [...] it is beneficial for both parties.” - Participant 1

And one of the participants states that everyone will collaborate to help each other which will be beneficial for both parties.

“Creating things for the avatars – accessories, clothes and using NFTs. “
- Participant 1

“Collectible items of the certain event.” - Participant 3

“Like fans are crazy about digital goods and they want to have exclusive clothes, items”
- Participant 6

“They could have digital items, animations, activities, avatars.”; “So when you talk about the gaming community and fans of esports, we love swag. We just adore it. Digital stuff too.”; “You can produce digital items of everything you produce physically. And then much more, including customizable items for example.” - Participant 7

Most participants suppose that businesses can profit in the Metaverse by creating NFTs, digital items, animations, activities, and accessories (digital goods). Some of the participants believe that everything that can be produced physically can be converted to digital and customizable.

“There's no limited space in the virtual world so the number of people who can attend events is not an issue. Metaverse enables you to have an unlimited number of people you want in it and sell an unlimited amount of tickets.” - Participant 2

One of the participants imagines that the Metaverse will have no physical limits, hence the number of attendees for a virtual event taking place in the Metaverse will be unlimited. Accordingly, the Metaverse will allow an organizer of an event to have an unlimited number of seats and tickets.

4.3 Possibilities for marketing

When it comes to marketing, it was important to let participants share what kind of possibilities the Metaverse as a servicescape can provide for marketing.

“In general, in the Metaverse it is going to be much, much cheaper for the brands to integrate their sponsorship”; “It’s much cheaper to adopt, it’s much, much cheaper to deliver. Ah, and for sponsors, as long as there are users, as long as they are rich, I’m pretty sure there will be more sponsorship money. Since the Metaverse is expanding more and more, there will be sponsorship money as long as there are people in it.”

- Participant 3

“Sponsorship will be integrated easier. It’s less costly to integrate, let’s say instead of building a billboard, for example in real life.” - **Participant 4**

Most of the participants assume that sponsorship will rise in the Metaverse, and it will be much cheaper to adopt and deliver sponsorship.

*“[...] Count actual eyeballs on the advertisement, or how I interact with it.” ...
“But Metaverse could give some different kinds of data, fixed eyeballs, how the avatars interact with the ad, if it came closer to it [...]. yet it can be very viable to the brand which can measure avatar activity.”* - **Participant 7**

“It’s about eyeballs. It’s about how many people are looking at their content [...].”

- Participant 8

“Maybe you will have more data to go with and work with.” - **Participant 4**

Some of the participants stated that the Metaverse will include technologies that will enable businesses to have new data, to track, measure and count actual eyeballs on advertisements and content, as well as how people interact with them.

“[...] the limits for the sponsorships or branding in the Metaverse I believe is limited by imagination cause you just can create whatever you want.” - **Participant 3**

“And I think sponsors will be interested in the virtual world, since you can let your imagination go wild essentially.” - Participant 7

“[...] Of course creativity is the key point here.” - Participant 4

“It's about creativity. It's about making the experience for the people [...].”

- Participant 8

Majority of the participants believe that in the Metaverse there are no limits for sponsorship or branding creativity in the Metaverse and businesses can create whatever they want in the way they imagine.

“You can put ads anywhere on the walls and make them look nice [...].” ... “[...] as Metaverse has no boundaries, like anybody could join. Uh, so, like more people gonna see your ads.” - Participant 6

“Metaverse is a thing for brands as a creation of brand awareness [...].” -

Participant 5

One of the participants considers that the advertisers in the Metaverse will be able to put their ads anywhere on the walls and make them look nice. The same participant thinks that the Metaverse will have no boundaries, and anybody could join, which means more people will see the advertisers' ads. In addition, one of the participants thinks that the Metaverse is the platform for creation of brand awareness.

“Sponsors and brands will probably product placement to the extremes I would guess.”

- Participant 2

“I mean, because you have so much visual space, right? So you can explore putting like logos, brand placement and you can recreate quite a lot of physical items in the

Metaverse as well.” - Participant 5

Some of the participants assume that the Metaverse can create an environment where there will be many visual spaces and brands will try to integrate themselves into everything as well as to put their logos and products wherever possible.

4.4 Immersive enhanced virtual customer experiences

Participants of this study were asked about how they think the Metaverse as a servicescape can deliver enhanced virtual customer experiences.

“Metaverse can deliver more experience for the people. [..]”; “[..] .. people can feel like they are playing and are able to spectate from different angles like it can make them feel like they are in the game.” - Participant 1

“Just put on the VR goggles and you just, you know, go into the world and you can watch the game live.” - Participant 3

“[..] spectating mid lane in the League of Legends game map, [...] watch the best players in the world fight inside of the summoner's rift and spectators can see their every step.” - Participant 4

*“With the Metaverse and like VR in particular, I would think that it would be a lot easier to set up and **experience** events [..] “ - Participant 7*

Some of the participants believe that Metaverse will deliver more experience for the people. One participant provided an example, the Metaverse will allow the spectators to feel as though they are playing and will allow them to travel around in the game to view the game from a variety of views, simulating the feeling of being in the game. And some of the participants believe that Metaverse will make the set-up of events easier. For example, people will be able to experience virtual events and watch games live using their VR headsets.

*“[..] it's like everything in the Metaverse becomes realistic and better in that sense.”
- Participant 2*

One participant assumes that everything in the Metaverse will become more realistic and better in that sense.

“It's about making the experience for the people [..].”; “[..]it's an opportunity to give fans more ways to experience the brand.” - Participant 8

One of the participants emphasizes the opportunity to deliver the experience for the people.

“You know, you can now have a closer and immersive relationship with an influencer or creator or a player. In Metaverse, it could be even closer [..]”.

- Participant 4

One of the participants assumes that now people can have a close and immersive relationship with an influencer, creator or a player, but in the Metaverse, this relationship can be even more close.

4.5 The Metaverse meaning for the esports

Participants were encouraged to share their thoughts about how they perceive the Metaverse as a servicescapes for esports.

“[..] all of a sudden ideas that we have when we do esports are now possible.”

- Participant 8

“Metaverse could be that one place which offers different kinds of esports.”

- Participant 6

One of the participants mentioned that the ideas related to esports will be possible in the Metaverse, while another emphasized that Metaverse can be a place that offers different kinds of esports.

“You can even monetize features available for the spectators in the Metaverse easily. So imagine if you monetize, say just spectating mid lane in the League of Legends game map [..].” - **Participant 4**

“I think it's a new beginning for the industry then there will be a lot of new actors because if there is more money there will be more people joining.” - **Participant 1**

One of the participants said that the Metaverse can monetize features available for spectators. Another participant emphasized that it's a new beginning for the industry and that new esports actors will join.

“Metaverse is like the next step of fan interactions [..]; “You can, for example, have G2 or Fanatic world somewhere where you go there, everything is branded, you have shops, you have players, and you can interact so. It sounds like Disneyland in the virtual world of esports.” - Participant 4

“Well, grow the fan base because, I mean, in Metaverse there's most likely gonna be people who have kids.” - Participant 6

“And also, for example, in the Metaverse, the merch from the teams and so on are gonna be a lot easier to create.”- Participant 2

*“In the Metaverse, esports companies can create their own HQ, and let people visit it.”
- Participant 8*

Few of the participants assume that Metaverse will increase the fan interaction and number in esports to a higher level. The same participant thinks that esports teams like G2 or Fanatic can create worlds where people can go there, see shops, buy digital stuff related to gaming and interact with players and name it as Disneyland in the virtual world of esports. While another said that Metaverse merch from the teams is going to be easier to create. One participant mentioned that esports can create their own HQ and let people visit it.

“Esports event organizers, they have all those possible risks, you don't know if people will show up. [...] having it in Metaverse online, it's much much easier because you know, people don't have to travel, they can attend an event from home.”

- Participant 2

It was stated by one participant that esports physical events organizers face possible risks regarding ticket sales. He added that having events in the Metaverse will be much easier and there will be no risk that the tickets to the events will not be purchased since people will not have to travel and they can attend an event from home.

“[...] Metaverse is mainly consumed by tech savvy people, but not necessarily by the ones that are core esports viewers or players. So probably for esports Metaverse is

more of creating awareness about esports and putting themselves on top of the mind for the different audience.” - Participant 5

One of the participants assumes that the Metaverse will create awareness about esports.

“There's no limited space in the virtual world so the number of people who can attend events is not an issue. Metaverse enables you to have an unlimited number of people you want in it and sell an unlimited amount of tickets.”;” What I would suspect and hope would happen in the Metaverse is that it can have more spectators of the events.” - Participant 2

“And with new technology and the Metaverse for example, it will create new opportunities for a lot of new events too because there are not a lot of events accessible for everyone right now.” - Participant 1

“By creating events, for example a League of Legends world championship. By creating collectible items of the certain event.” - Participant 3

“But Dreamhack is a very good example that means you can create it just in a 3D virtual world.” - Participant 8

“Thousands people's gonna come to the events and stuff like that.” - Participant 5

One of the participants imagines that the Metaverse will have no physical limits, hence the number of attendees and spectators of virtual events in the Metaverse will be unlimited. She adds that the Metaverse will allow an organizer of an event to have an unlimited number of seats and tickets. Another participant assumes that the Metaverse will create new opportunities for new events that cannot be accessible to everyone right now. Few participants believe that the Metaverse will allow businesses to convert physical events into 3D digital events. They provided examples of the esports events (e.g., a League of Legends world championship) and gaming conventions (e.g., Dreamhack).

4.6 Future and expectations of the Metaverse

It was important to ask participants what they expect from the Metaverse and how the future will look like in this platform.

“I would just hope that Metaverse will be Co-compatible, meaning that if I did something in the Bezos Metaverse I can do that in Zuckerberg's Metaverse as well. That would be great. Cross platform play.” - Participant 7

“I hope it's gonna be decentralized, pretty much. I'm not a fan of like one company or two companies like or holding everything and like having the power to control people in this way.” - Participant 6

One of the participants hopes that the Metaverse can be a "co-compatible" and "cross-play platform". While another participant asserts that the Metaverse needs to be decentralized.

“I think especially non endemic brands, they hop on the hot trends.” - Participant 5

“As I said, like younger companies and start-ups who like following innovations [..].

Probably gonna try to join Metaverse in some sort of way.” - Participant 6

One of the participants assumes that a place like the Metaverse will draw in non-endemic brands because they are always on top of the hottest trends. Another participant says that it is likely that young businesses and start-ups who like to keep up with new innovations will try to join the Metaverse in some kind of way.

So I think everyone needs to stay on their toes and be ready to adapt to whatever happens next pretty much.”; “I think you should expect the unexpected.”

- Participant 8

One of the participants states that companies should be prepared to adapt to what may emerge and constantly expect the unexpected.

“[...] the Metaverse will create new transaction opportunities [...]. - Participant 5

One of the participants assumes that the Metaverse will create new transaction opportunities.

4.7 Issues and concerns related to the Metaverse

Lastly, the Metaverse is still in the developing phase and is surrounded by uncertainty, so it was important to ask about arising potential issues and concerns.

“Privacy is the obvious one. I guess everyone, even right now, is really very much concerned with privacy. The privacy concerns, especially with Metaverse and Facebook, are always there.”; “NFT is, and crypto currencies are a red flag for a lot of people.” - Participant 2

“Hmm, I would say security and specifically cyber security with NFT's” - Participant 6

Few of the participants consider privacy and security as prominent and constant concerns and consider that NFTs and cryptocurrencies are nowadays a red flag for many people and will be the same in the Metaverse.

“I guess the issue is that people may feel constantly connected but actually be disconnected in real life.” ... “It will create addiction loops like a feedback loop that will make people want to come again and again.” -Participant 2

One of the participants is concerned that the Metaverse will create addiction loops that will make people return. Consequently, some people may feel constantly connected in the Metaverse while disconnected in real life.

“Metaverse can blow people's minds and just drive them insane, I think. Especially prolonged use of it. Can people's brains disseminate what's real and what's not?” -Participant 7

One of the participants is worried that the Metaverse can blow people's minds and drive them insane.

“You need some equipment, strong hardware on top of that and this technology I believe is just a little too expensive for the customer. People might be limited by technology.” - Participant 3

“It's quite expensive to set up and to use properly and it requires, let's say, a certain entry level, for example having equipment. So, on top of a computer and hardware additional equipment is required. It will be slow adoption unless we have something really cheap that's available to everyone.” - Participant 4

Few participants have concerns that it will be expensive for people to enter the Metaverse since the Metaverse will require people to have computers with strong hardware, equipment, gadgets, and VR glasses.

“[...] there is digital trash because there is a data center and everything and we have to find completely new ways to deal with it. Because of the heat, it causes pollution.” – Participant 1

One participant assumes that there will be digital trash generated from data centers which may cause pollution.

“[...] what kind of advertising is allowed? It's not figured out yet [...]” “Let's say what laws do you abide by? Is it by your location or the companies where the company is base?” - Participant 4

“Governments couldn't understand this new Internet thing. What's this new social media thing? They need time. They need academia. They need data to create new laws.” [...] “But now advertisers have lost a lot of those capabilities due to data protection laws.” - Participant 7

Lastly, one of the participants is concerned what laws do companies abide by and raises the question: will it be by the companies' location or where they are based? And another participant is concerned that the governments will need time, academia, and data to create new laws.

5. Analysis

Based on the perspectives and experiences shared by participants, this chapter examines esports actors' perceptions about the Metaverse as a servicescapes for esports and provide the explanations and interpretations behind them.

5.1 Undefinable platform

Participants had different perspectives on how the Metaverse should be defined during the interviews. One participant described the Metaverse as a collection of virtual worlds, while another noted that it is an umbrella term that may refer to anything; another stated that it is a buzzword and that in the future, there will be several Metaverse variations with different meanings. Finally, one participant said that the Metaverse should not have a specific definition. In this case, the Metaverse is now an undefinable platform due to its novelty and is surrounded by uncertainty and unfamiliarity.

5.2 Platform for innovative business opportunities

During the study, it was found that interviewed participants perceived the Metaverse as a new business area to interact with customers and provide the potential to expand business activities and increase revenue. One of the participants revealed that the Metaverse could also be an additional venue for brands and commercial space. This could mean that the Metaverse will create an opportunity to enter the new market area (virtual market) and enable businesses to have a more immersive interaction with customers and enhanced customer service. Furthermore, since the business will reach a broader customer base and business activities such as marketing and sales will be expanded, this might lead to an additional revenue stream. Accordingly, the Metaverse might be considered an additional commercial venue where companies can recreate their physical business activities in an immersive and virtual way.

Few of the participants believe that the Metaverse platform will provide an opportunity for business collaborations, in which everyone will help each other, which will lead to beneficial outcomes. This belief of participants can mean that the Metaverse can establish

new business connections since each business will have its Metaverses, and it will be easier to integrate, operate and collaborate on one platform.

The majority of the participants assumed that businesses could profit in the Metaverse by creating NFTs, digital goods, animations, activities, and accessories for avatars. These digital goods could be representations of what exists in the physical world and be customizable. The interpretation of this could be that businesses might have a new way to make a profit through making not only physical goods but digital goods. These digital goods can be customized according to the customer's needs, creating additional value.

The participants expect that Metaverse will have no physical limits, and the number of people who attend virtual events will be unlimited; this will allow an organizer of an event to have an unlimited number of seats and tickets. The authors of this study interpret this as that the Metaverse will allow event organizers to have an opportunity to generate profit without having constraints related to venue size, number of people or tickets.

5.3 Possibilities for marketing

Two participants supposed that the sponsorship might rise in the Metaverse, and it would be cheaper to adopt and deliver sponsorship on this platform. Accordingly, one participant elaborated that more sponsorship money would be involved due to the people density in the Metaverse. It could mean that the platform will create new possibilities involving cheaper and easier sponsorship activities. Furthermore, the expansion of the Metaverse will attract more people and hence more sponsors, which will lead to higher revenue generated from the sponsorship. Accordingly, it will be easier to attract sponsors in the Metaverse.

One participant stated that in the Metaverse, there are no limits for creativity and imagination in terms of sponsorship or branding; the platform enables businesses to create whatever they want or imagine. This means that the Metaverse can deliver options regarding marketing in a creative and “out of the box” way that is not mainstream.

Participants of the study perceived that Metaverse would provide businesses with new customer data due to the technologies available on the platform. Consequently, participants assumed that the Metaverse will track, measure and count eyeballs on advertisements and how people interact with them. It could mean that the Metaverse will provide tools and a viable and additional data source that businesses can leverage to understand their customer behaviors better. Consequently, the Metaverse will significantly help improve the marketing strategies.

Esports actors during the interviews consider that the Metaverse has no boundaries and enables businesses to place advertising anywhere. Furthermore, the platform can allow anybody to join, exposing more people to the ads and increasing brand awareness. The Metaverse was also considered an environment with visual space where brands would try to integrate themselves and place their products anywhere. It could mean that the Metaverse will enable immersive and virtual advertising without any space constraints. As a result, the brand and advertising exposure will eventually increase due to the platform's density of users.

5.4 Immersive enhanced virtual customer experiences

Many participants assumed that the Metaverse would deliver a better experience for the people with the help of VR headsets. One participant gave an example that the platform will allow the spectators to feel like they are playing and traveling around in the game and spectating it from different angles. In addition, everything in the Metaverse will become more realistic and more pleasing, such as attending virtual events. It could mean that the Metaverse will enhance virtual customer experiences with the complimentary gadgets that will allow people to be more engaged in the activities available in the Metaverse and feel a part of it. Furthermore, the Metaverse will make the virtual experience enhanced and sensible.

One participant states that now people have an immersive connection with influencers, creators, and players, and hence the Metaverse can make a relationship even closer. In other words, this could mean that the Metaverse will enhance the virtual communication

experience among the different esports actors, strengthening the relationships among them.

5.5 The Metaverse meaning for the esports

One participant states that all the ideas related to esports will now be possible in the Metaverse and that it will become a place to offer different kinds of esports. At the same time, another participant perceives the Metaverse as an opportunity and sees it as a new beginning for the esports industry. One participant also assumes that new esports actors would join the esports industry due to the Metaverse. It could mean that the Metaverse creates an opportunity for the esports industry to fulfill new ideas and give a possibility to modify non-esports related games and make them suitable for entering the esports industry. Consequently, new actors will join the esports ecosystem coming from new modified gaming industries that were not previously related to esports.

One of the participants mentioned that the Metaverse could allow the monetization of spectator features. That could mean that the Metaverse might enable esports businesses to generate additional revenue streams from the spectators by delivering advanced features that make the experiences more immersive and engaging. However, spectators need to pay a fee to be able to use these features.

One participant assumes that the Metaverse will enhance esports fan interactions since esports businesses could create their virtual worlds or HQ (Headquarters) that people can visit and buy digital gaming items (such as merch of esports teams) and interact with players. The same participant adds that the Metaverse could refer to a Disneyland in the virtual world of esports. While another participant emphasizes that the Metaverse is more about creating awareness of the esports industry since it might allow putting esports on top of the minds of audiences unfamiliar with it. At the same time, another participant predicts that in the Metaverse, the number of fans will increase. It could mean that the Metaverse can serve as an opportunity for the esports industry to deliver immersive experiences for fans, communicate with the esports audience and generate profit in a new way. Additionally, the opportunities available for the esports sector in the Metaverse could be a way to create awareness, leading to an increased fan base.

One participant assumes that the Metaverse will create opportunities for new events that cannot be accessible to everyone right now. Another participant gives an example that the Metaverse will allow event organizers to recreate physical events such as DreamHack or the League of Legends world championship in the 3D form. One participant reveals that physical esports event organizers are currently facing risks related to ticket sales. However, the same participant expects that the Metaverse will eliminate those risks since people will not need to travel and can attend an event from home. Furthermore, the issues related to the venue size and number of people who attend esports events will not be present in the Metaverse leading to an increased number of spectators of the event. It could be understood that the physical esports events can be converted into digital, 3D and held in the Metaverse and become more accessible to a wider audience. The platform will also reduce the potential risks for the esports event organizers related to ticket sales since people will not be restricted by geographical distance and can attend events from home. Furthermore, due to the infinite space available in the Metaverse, the events could hold an unlimited number of spectators, leading to a significant increase in esports audiences.

5.6 Future and expectations of the Metaverse

One participant anticipates that the Metaverse can be a “co-compatible” and “cross-play platform”, while another participant desires that the Metaverse should be decentralized. This means that the Metaverse should not be governed by one organization and allow different types of businesses to be involved in the platform development. In other words, the Metaverse should not be built by one company or two companies that have the ultimate power to control people.

One participant expects that start-ups who keep up with the innovations will try to join the Metaverse. The participant also adds that the platform will draw the attention of non-endemic brands. This means that the presence of brands that are not associated with the technology or esports industries, as well as start-up enterprises, will be noticeable in the Metaverse due to the platform's innovative nature, which draws the attention of such businesses.

One participant alerts that companies should be prepared to adapt to what may emerge in the Metaverse and expect the unexpected. Which could mean that due to the Metaverse newness, the platform is surrounded by uncertainty, and unexpected things can happen, which indicates that businesses should be ready to become more agile when operating in the Metaverse.

Lastly, one participant assumes that the Metaverse will create new transaction opportunities. This could be interpreted as the Metaverse will provide businesses with a new way of buying and selling products or services.

5.7 Issues and concerns related to the Metaverse

Few participants have concerns regarding privacy and security, specifically cyber security. They add that NFTs and cryptocurrencies nowadays are considered a red flag for many people, which will be the same in the Metaverse. This could mean that the Metaverse platform users expected to be unsure about using cryptocurrencies and NFTs because it is still an unexplored and ambiguous area of doing financial transactions. Furthermore, the issues regarding cyber security and privacy are still present since the Metaverse platform is currently developing and is surrounded by uncertainty.

One participant assumes that the Metaverse will create addiction loops that make people come back to the platform. Consequently, people can feel constantly connected in the Metaverse while disconnected in real life. Another participant warns that the Metaverse can blow people's minds and drive them insane. This could be interpreted as that the Metaverse platform can create problems for humanity, form a new addiction and lead to mental illnesses for the people due to its immersiveness.

One of the participants was concerned about what kind of laws companies will abide by in the Metaverse. The same participant raised several questions regarding this concern, such as "will it be by the companies' location or where they are based?". This could be interpreted as the Metaverse platform currently does not have established laws that could impact or control business operations in it. Following this, another participant was concerned that the governments would need time, academia, and data to create new laws.

This could mean that it is unknown how long it will take for the governments to release the regulations regarding the business which could be applied to the platform.

One of the participants has concerns regarding digital sustainability. For example, the Metaverse data centres will create digital trash that requires finding entirely new ways to deal with it. This could be interpreted as that even though the Metaverse is a digital platform, the existence of this platform can still lead to real-world environmental problems. To clarify, the Metaverse data centres will contain a massive number of servers that consume a tremendous amount of energy which may cause pollution to the environment.

Lastly, few participants are concerned that it would be too expensive for people to enter the Metaverse due to the equipment needed. This could mean that the Metaverse requires users to have additional equipment to join the platform, which is currently costly and may not be affordable for everyone.

6. Discussion

Based on the analysis of participants' perspectives and experiences and the concepts described in the "Frame of Reference" section, this chapter links findings to theory. Furthermore, the implications for the theory and the practice are provided, and limitations that have influenced the process are discussed. Lastly, future research suggestions are provided.

6.1 Discussion

Because business ecosystems reflect multiple interconnections between different actors and stakeholders, they do not exist in a vacuum. These interactions must have a location or space where media communication, co-creation, or activities may occur. While it is typically defined in physical contexts, the rising digitization of activities demands its expansion to incorporate online contexts (Helmefalk & Marcusson, 2020; Nilsson & Ballantyne, 2014). The rapid development of the internet and social media is transforming the physical business into a virtual one, offering new opportunities for both businesses and consumers (Nilsson et al., 2014).

The "Metaverse" refers to three-dimensional, virtual environments in which individuals interact with one another and their surroundings without being constrained by the physical constraints of reality (Narin, 2021). The extensive Metaverse network can be viewed as a business ecosystem containing a diverse range of interdependent actors (Nuseibah & Wolff, 2015) participating in a variety of value co-creation activities (Carrillo Vera & Aguado Terrón, 2019), providing media services and products (Kostovska et al., 2021) that foster business model innovation and future profitability (Ji & Hanna, 2020).

As a result, the Metaverse is predicted to be the internet's future, significantly impacting the video game industry and creating an opportunity for all businesses (Liffreing, 2021). The results of this study demonstrated that the Metaverse is predicted to become a new platform, additional venue or, in other words, commercial space for businesses to interact with customers in a more immersive way, expand business activities which will lead to increased revenue streams. This aligns with the prediction that the Metaverse will create

an opportunity for businesses (Liffreing, 2021) and will have a potential for connecting customers and sellers (Lee et al., 2021). As mentioned in previous literature, it is noticeable that the development of the Metaverse ecosystem, in which various actors, both large and small collaborate (Caulfield, 2021). This aligns with the results that showed that the Metaverse will allow the establishment of new business connections since it will be easier to integrate, collaborate and operate on one platform.

Previous research from Kim (2021) defined Metaverse as a three-dimensional massive virtual world inhabited by avatars of real people that can interact in real-time. Following this, the Metaverse is only now becoming apparent, and due to its complexities, no one can define it or predict what it will look like in the future (Kim, 2021). Results from this study indicated that there are currently many conflicting opinions on the Metaverse definition since it is constantly changing due to its innovation and could be considered an umbrella term. In addition, it is predicted that in the future, there will be several Metaverse variations which will have different meanings. Previously, Narin (2021), in her research, proposed that Metaverse has become a concept used to describe 3D virtual worlds. This perfectly aligned with the results from this study that the Metaverse could be defined as a collection of virtual worlds. However, results showed that the Metaverse now could be viewed as a buzzword, which contradicts what Lee (2021) stated in his research that people believe that the Metaverse is not a buzzword and becoming apparent.

The Metaverse has the potential to transform all areas of advertising and marketing (Kim, 2021). As results showed, the Metaverse provides new possibilities for marketing since the platform enables businesses to have virtual and immersive advertising without any space constraints. It aligns with what (Mileva, 2022) proposed that the Metaverse is engaging and immersive, which applies to advertisements and marketing campaigns with which people can interact. Consequently, results indicated that the Metaverse would allow businesses to use tools which will track, measure, and count eyeballs on advertisements and how people interact with them, leading to a viable additional customer behavior data. According to the previous research from (Ballantyne & Nilsson, 2017), virtual spaces enable businesses to have a deeper understanding of their customers and increase their engagement. In the previous research from Kim (2021), the author raised concerns regarding advertising and whether it will work in the same way in the virtual

world as it does in the virtual world since standard business approaches and marketing methods may lose efficacy in the Metaverse. Accordingly, results showed that in the Metaverse, there are no limits to creativity and imagination when it comes to sponsorship and branding, which enables businesses to deliver marketing campaigns in a non-mainstream way. Kim (2021) defined the Metaverse as a virtual world where people interact and are represented by avatars. Results showed that businesses could profit in the Metaverse by creating digital goods such as animations, activities, and accessories for the avatar. The results of this research aligned with the previous study of Liffreing (2021), in which the author proposed that the Metaverse will create an opportunity for brands to profit through digital goods.

The results revealed that the Metaverse allows, with the help of VR technology, everything to feel more realistic and pleasing, which will lead to enhanced virtual customer experiences. The same was proposed by Ballantyne & Nilsson (2017), that becoming a participant in a virtual servicescape involves adopting a virtual body, an avatar; this enables movement inside the virtual environment and interaction with other avatars, consequently enhancing engagement (Ballantyne & Nilsson, 2017). As per Ballantyne & Nilsson (2017), becoming a participant-actor in a virtual servicescape involves adopting a virtual body - avatar, enhancing engagement. It aligns with the results of this research that the Metaverse will allow people to move around and observe everything from different angles, making everything feel more realistic and pleasing, leading to enhanced virtual customer experiences.

It was stated in the previous research by Cook (2021), that the Metaverse creates new opportunities for the esports sector by allowing viewers to be in a virtual audience, attend a virtual venue as a part of the crowd, and connect with other gaming enthusiasts all in a virtual environment. And in the previous research by John (2021) it was mentioned that the Metaverse allows replicating physical events or developing an immersive hybrid model that can increase esports audience engagement. This perfectly aligned with the results from this research which indicated that the Metaverse would allow recreating physical events such as DreamHack or League of Legends world championship in the virtual environment. According to Ballantyne & Nilsson (2017), the internet experience for a consumer rarely features queues or overcrowding, which is the most significant

benefit of the new virtual environment. The results indicated that due to the infinite space available in the Metaverse, the events could hold an unlimited number of spectators, leading to a significant increase in esports audiences. Furthermore, the issues related to the venue size and the number of people who attend esports events will not be present in the Metaverse, which can, according to Rosenbaum & Massiah (2011), eliminate one of the most common complaints regarding service quality which is the problem of social density or the negative impact of crowding on customers.

In the Metaverse, players and viewers have a more immersive experience (the sense of actually being there to watch or compete from a first-person perspective) (John, 2021). Additionally, instead of going to a tournament venue to see the players, people might enter a virtual world that places them right in the middle of the game (John, 2021). It aligns with the results of this research that the Metaverse will allow the spectators to feel like they are playing and traveling around in the game and spectating it from different angles.

It was noted in the previous research by Xue et al. (2019), that gamers strongly believe that business possibilities exist in the gaming community. Following this, in the research from Ballantyne & Nilsson (2017), the authors mentioned that the digital buying experience is more interactive and social in virtual space, implementing new ways of value co-creation. In addition, previously, it was mentioned by John (2021) that the Metaverse allows people to interact and support their favourite teams in a new way due to NFTs and other collectables in the Metaverse. The previous research connects with the results of this research, indicating that the Metaverse could serve as an opportunity for the esports industry to deliver immersive experiences for fans, communicate with the esports audience and generate profit in a new way. For example, creating esports companies' virtual Headquarters where people can visit and buy digital items such as merch of esports teams. The results align with what was predicted in the research done by Sax & Ausloos (2021), that emerging technologies like the Metaverse would enable esports businesses to diversify their revenue streams.

According to (Di Petro & Cresci, 2021), issues arise regarding personal privacy in the Metaverse due to the platform's interconnected nature. This links with the results of this

research that there are several concerns regarding privacy and security in the Metaverse since the Metaverse platform is currently in its developing phase and is surrounded by uncertainty. The results showed that the Metaverse would make people feel constantly connected in the Metaverse while disconnected in real life. This result could be linked to the previous research from Ballantyne & Nilsson (2017), in which it is stated that the boundaries between people and places, between what is real and what is imagined, are now being blurred by digital reality.

6.2 Implications for the literature

The findings of this research would add to the existing literature that examines the association between esports industry and the Metaverse. Furthermore, the research could contribute to the limited literature related to the Metaverse platform as a servicescape for businesses. Lastly, by exploring new user interactions and addressing the challenges and opportunities that the Metaverse presents, the findings of this research address the “Emerald” publisher's call for further research on “Opportunities and challenges in the Metaverse”.

6.3 Implications for the practice

The findings of this research contribute to the practice since they revealed business opportunities that might be available on the Metaverse platform that can act as a servicescape. It also opened a window of understanding of this platform. Additionally, since the Metaverse can drive business model innovation and future profitability, the results of this research can contribute to business model developers, software companies, and technology producers.

6.4 Limitations

After analyzing and discussing the collected data, there has been a clear understanding of the limitations that impacted the results and the overall process of the research.

First, there were unavoidable time constraints since the research had to be conducted in a specific time period. Without having these time constraints, it could allow the researchers to have a more in-depth data gathering, more extensive analysis and discussion, and a better research paper structure.

Second, given the platform's newness, there is a scarcity of literature related to the Metaverse and the Metaverse as a servicescape for esports. As a result, this limitation impacted the process of collecting relevant academic literature and finding an appropriate framework for this research. If the Metaverse as a servicescape for esports has been researched previously, the data obtained in this study could be compared to the existing findings and hence contribute to the existing knowledge.

6.5 Future research

Since it has been found that the Metaverse is a servicescape for business, it is also important to examine the further development of this platform and its impact on the businesses. However, due to the lack of research on the Metaverse, many other topics require attention.

During the interview process, esports actors have lifted many unstudied problems and offered various spectrums for research.

One of them revolved around the laws implemented in the Metaverse. Participants of this research raised questions about what laws for businesses and advertising will be applied in the Metaverse and how long it will take to apply them. Therefore, the implementation of laws and regulations related to the business and advertising in the Metaverse could be researched in the future.

Furthermore, another concern revolved around the sustainability aspect of the Metaverse platform and its impact on the environment. Accordingly, future research could investigate the impacts of the Metaverse on the environment and sustainability. Furthermore, what procedures business can take to develop the Metaverse more sustainably.

Lastly, since several concerns regarding the cost of entering this platform for users were raised, future research could examine what businesses can offer to customers to make the Metaverse more accessible, affordable, and less costly. Therefore, it is an interesting future research suggestion that can be investigated.

7. Conclusion

This section summarizes the research's purpose and findings.

This qualitative research aimed to analyze and explain how esports actors perceive the Metaverse as a servicescape for esports.

The findings revealed that the esports actors perceive the Metaverse as currently an undefinable platform due to its novelty, which is surrounded by uncertainty and unfamiliarity. However, esports industry professionals perceive the Metaverse as a servicescape for business opportunities. These opportunities include that the Metaverse can create a new business area to interact with customers, provide the potential for business activities to expand, and increase revenue. Furthermore, businesses could profit in the Metaverse by creating digital goods. The Metaverse could enable immersive and virtual advertising without any space constraints as well as might provide businesses with new customer data. Following this, participants perceived that the Metaverse could enhance virtual customer experiences. Furthermore, the physical esports events could be converted into digital. As a result, the Metaverse might enable having unlimited number of spectators which will lead esports businesses to increase revenue streams. Lastly, the existence of the Metaverse could raise concerns and issues regarding cyber security and privacy for the users of this platform. It is also unexplored how long it will take for the governments to release the regulations regarding how the business should operate on this platform.

In conclusion, the Metaverse platform could serve as a servicescape for not only the esports industry but potentially for other industries as well. Even though the Metaverse phenomenon is considered to be surrounded by uncertainty and is still developing, it represents a potential for businesses in all industries to expand their marketing and business practices online in an immersive, engaging, and innovative way. In summary, it is concluded that esports actors chosen for this study perceive the Metaverse platform as a servicescape for esports as well as that the Metaverse represents opportunities for both scholars and practitioners.

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9. Appendix list

9.1 Appendix

Interview questions

1. Tell us about yourself, what is your name, how old are you? Where are you from?
2. Explain how you are connected with the esports industry?
3. Do you consider yourself as a gamer? Have you attended any gaming related events?
4. What do you think gaming conventions will look like in the Metaverse? How could the Metaverse enhance its overall experience?
5. What would sponsorship in such gaming conventions look like?
6. How do you see LAN parties will happen in the Metaverse?
7. How do you think the Metaverse will enhance LAN parties spectators/participants' experiences?
8. Do you think finding partnerships/sponsorships for the gaming conventions, LAN parties and esports tournaments will be easier with the Metaverse?
9. What do you imagine streaming in the Metaverse will look like?
10. Nowadays, in tournaments, spectators can be in the stadium or watch the tournament through live-streaming platforms such as twitch and youtube. What do you think this experience will look like in the Metaverse?
11. How can the Metaverse completely revolutionize/change fan engagement and spectator experiences?
12. How do you think professional players and esports spectators will connect and communicate in the Metaverse?
13. Do you think the Metaverse will strengthen esports teams' connection with its fans?
14. Do you think smaller gaming companies still have potential to enter the Metaverse even though it is currently ruled by Epic Games and Roblox?
15. How can the Metaverse change sponsorship opportunities in esports?
16. Is it possible for esports related businesses to benefit from the Metaverse and vice versa (How will Metaverse can benefit from the esports industry)? If yes, how? If no, why not?
17. What should we expect from this new emerging platform (the Metaverse)?

18. Do you think that there should be a specific definition of the Metaverse?
19. What does the Metaverse mean to you?
20. And how do you imagine Metaverse will look like?
21. What would you say is the most exciting aspect of the Metaverse, and by association, esports?
22. And how can esports transit/enter into the Metaverse?
23. What new opportunities do you expect the Metaverse will bring to the esports industry?
24. Do you think that the esports ecosystem will expand due to the Metaverse and new actors (people, industries) will join?
25. Do you think the gaming industry business innovation pace will accelerate due to the Metaverse?
26. What are your concerns about the Metaverse?
27. What potential issues may arise for the esports industry in it? For example: privacy, data processing, etc.
28. What does the future hold for the esports industry in the Metaverse?
29. What are your final thoughts on the Metaverse and aspirations of this emerging platform?